

22 July 1952

ECONOMIC DEFENSE (ECONOMIC WARFARE) INTELLIGENCE

The ^{primary} ~~ultimate~~ purpose to be served by most of our economic intelligence is the economic defense of the United States. Prior to World War II the primary purpose of economic intelligence was to support the military operations. Economic intelligence was regarded as strategic military intelligence. It was concerned principally ~~mainly~~ with the capabilities and vulnerabilities and military intentions of an enemy or potential enemy. "Blockade intelligence" or, latterly, "economic warfare intelligence" has been important throughout the history of warfare, but not until World War II, with its vast mechanization, did it acquire its greatest importance.

In the present "cold war" in which the maintenance of relative industrial superiority is essential to national security, economic defense intelligence has become of even greater importance. It demands contributions from all elements of the intelligence community including both IAC and non-IAC agencies. While the production of this intelligence for the support of the economic defense measures outlined in NSC 104/2, the Export Control Act, the Battle Act, and related policies, is a specialized intelligence function, it must necessarily draw on all our intelligence resources. Basic research is necessarily the first, and in some respects the most important, phase of the intelligence process. But when the time factor in current cold war operations is a prime consideration, ~~it demands a~~ priority for the application to immediate and urgent requirements of the best intelligence then available.

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It is hoped that the newly-authorized Intelligence Working Group created by the IAC and EDAC may serve this purpose if it is supported adequately in personnel and priorities by the constituent agencies.

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